

Senate Bill No. 1305

CHAPTER 990

An act to amend Section 2802 of the Labor Code, relating to employment.

[Approved by Governor September 29, 2000. Filed
with Secretary of State September 30, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1305, Figueroa. Employer indemnification: interest.

Existing law requires an employer to indemnify his or her employees for all that the employee necessarily expends or loses in direct consequence of the discharge of the employee's duties or as a result of obeying the employer's directions.

This bill would require that awards for reimbursement of expenditures by a court, or by the Division of Labor Standards Enforcement, carry interest at the same rate as judgments in civil actions, accruing from the date the necessary expenditures or losses were incurred by the employee.

This bill would define necessary expenditures to include all reasonable costs, including attorney's fees incurred by the employee enforcing the rights granted by this section.

This bill would provide that it is not intended to establish the right of the Division of Labor Standards Enforcement to be awarded costs and attorney's fees.

The people of the State of California do enact as follows:

SECTION 1. Section 2802 of the Labor Code is amended to read:

2802. (a) An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.

(b) All awards made by a court or by the Division of Labor Standards Enforcement for reimbursement of necessary expenditures under this section shall carry interest at the same rate as judgments in civil actions. Interest shall accrue from the date on which the employee incurred the necessary expenditure or loss.

(c) For purposes of this section, the term "necessary expenditures or losses" shall include all reasonable costs, including, but not limited to, attorney's fees incurred by the employee enforcing the rights granted by this section.

SEC. 2. Nothing in this act is intended to establish the right of the Division of Labor Standards Enforcement to be awarded costs and attorney's fees.

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